

Message Text

UNCLASSIFIED

PAGE 01 JAKART 00972 230843Z
ACTION EA-12

INFO OCT-01 ISO-00 EB-08 /021 W
-----106232 230911Z /15

R 230448Z JAN 78
FM AMEMBASSY JAKARTA
TO USDOC WASHDC
INFO SECSTATE WASHDC 6322
AMCONSUL MEDAN
AMCONSUL SURABAYA

UNCLAS JAKARTA 0972

USDOC FOR MEPD

EO 11652: NA
TAGS: BENC, BAGB, EAGR, ID
SUBJ: MAJOR PROJECT: INDONESIA'S PLANS FOR SUGAR MILLS

REF: STATE 6727

1. IN RESPONSE TO REFTEL EMBASSY CONTACTED MR. RACHMAT SUBIAPRADJA, ASSISTANT TO THE MINISTER FOR PRODUCTION AND DEVELOPMENT, DEPARTMENT OF AGRICULTURE, JL. CUT MUTIAH NO. 11, JAKARTA. MR. RACHMAT SAID THAT REPELITA III, THE FIVE YEAR DEVELOPMENT PLAN FOR THE PERIOD 1979-1984, WILL CALL FOR THE CONSTRUCTION OF 3-4 SUGAR PLANTS BY THE GOI. THESE PLANTS WILL BE CONSTRUCTED AT SUBANG, WEST JAVA, IN THE OPERATIONAL AREA OF PTP (GOVERNMENT ESTATE) XXX, IN HUTAN LOJAN, IN WEST JAVA, LOCATED NEAR SUBANG, AND IN NORTH SUMATRA IN THE OPERATIONAL AREA OF PTP IX. THE FIRST TWO PLANTS WILL BE OF 4000 TONS OF CANE PER DAY CAPACITY. THE PLANT IN NORTH SUMATRA MAY BE EITHER ONE UNIT OF 8000 TONS OF CANE PER DAY OR TWO UNITS OF 4000 TONS OF CANE PER DAY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JAKART 00972 230843Z

2. ACCORDING TO MR. RACHMAT THE IBRD HAS ALLOCATED US\$85 MILLION TO FINANCE TWO OF THESE PLANTS. THE IBRD AND BAPPENAS (GOI CENTRAL PLANNING AGENCY) ARE CURRENTLY WORKING TOGETHER TO CHOOSE WHICH OF THE LOCATIONS THE IBRD WILL SUPPORT. THE GOI IS LOOKING TO A VARIETY OF SOURCES FOR FINANCING THE REMAINING PLANT OR PLANTS, INCLUDING THE ADB,

THE IGGI ETC.

3. A PRELIMINARY FEASIBILITY STUDY WAS COMPLETED IN 1973 ON THE HUTAN LOJAN PLANT BY THE INDONESIAN CONSULTING FIRM P.T. NARADA. STUDIES FOR THE OTHER TWO LOCATIONS HAVE NOT YET BEEN UNDERTAKEN AND ARE STILL AWAITING APPROVAL FROM BAPPENAS. THIS APPROVAL COULD COME BY THE END OF JANUARY, AND THE FEASIBILITY STUDY WOULD BEGIN SHORTLY THEREAFTER. THEREFORE, ARKEL AND ANY OTHER INTERESTED FIRMS SHOULD CONTACT MR. RACHMAT IMMEDIATELY IF THEY ARE INTERESTED IN DOING THE FEASIBILITY STUDIES.

4. IF THE IBRD CHOOSES TO SUPPORT THE HUTAN LOJAN PROJECT, TENDERS FOR CONSTRUCTION OF THAT FACTORY COULD BE LET BY THE END OF THIS YEAR. ACCORDING TO MR. RACHMAT, MITSUBISHI WAS RECENTLY OFFERING A PLANT OF 4000 TONS OF CANE PER DAY CAPACITY AT THE PRICE OF LESS THAN US\$30 MILLION. THUS, THE GOI IS USING THIS FIGURE AS AN ESTIMATE OF THE FOREIGN EXCHANGE COSTS OF FOREGOING MILLS.

5. MR. RACHMAT ALSO MENTIONED TWO PRIVATE PROJECTS WHICH HE ANTICIPATED WOULD BE CONSTRUCTED. HE SAID P.T. GEDUNG MADU WILL ESTABLISH A SUGAR
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 JAKART 00972 230843Z

PLANT OF 3000 TONS OF CANE PER DAY CAPACITY IN LAMPUNG PROVINCE AT GUNUNG BATIN. HE SAID THIS COMPANY WAS ALREADY BUILDING ONE PLANT AT THIS LOCATION WHICH HE ANTICIPATED WILL BE OPEN AT THE END OF THIS YEAR. THE OTHER PRIVATE COMPANY, P.T. MORRISON (ATTN: NAHAR ZAHIRUDDIN, PRESIDENT DIRECTOR, JL. IR. H. JUANDA 38B, TROMOL POS 97, JAKARTA) TOGETHER WITH AUSTRALIAN BUSINESSMEN, MAY ESTABLISH PLANT WITH 3-4000 TONS OF CANE PER DAY CAPACITY IN SOUTH SULAWESI.
MASTERS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR
Control Number: n/a
Copy: SINGLE
Draft Date: 23 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978JAKART00972
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780033-0726
Format: TEL
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780135/aaaabcxt.tel
Line Count: 105
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ea0125e1-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 STATE 6727
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3732127
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: INDONESIA'S PLANS FOR SUGAR MILLS
TAGS: BENC, BAGB, EAGR, ID
To: COM
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/ea0125e1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014